

AMENDED IN SENATE MARCH 15, 2010

**SENATE BILL**

**No. 960**

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**Introduced by Senator Dutton**

February 5, 2010

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An act to add Section 39601.1 to the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 960, as amended, Dutton. State Air Resources Board: regulations: ~~Legislative Analyst's Office~~ *Office of Administrative Law*: report.

Existing law imposes various functions and duties on the State Air Resources Board relating to reducing emissions of air pollutants. Existing law authorizes the state board to adopt standards, rules, and regulations necessary for the proper execution of those duties. *Existing law, the Administrative Procedure Act, governs the procedure for the adoption, amendment, or repeal of regulations by state agencies. Existing law requires the Office of Administrative Law to review specified regulations and make determinations using prescribed standards.*

This bill would require the state board to submit a major regulation, as defined, *and other related information* to the ~~Legislative Analyst's Office~~ *Office of Administrative Law*, as specified. The bill would require the ~~Legislative Analyst's Office~~ *Office of Administrative Law* to prepare an analysis of the major regulation, with prescribed elements, to determine the costs and benefits of the regulation and whether the regulation is technologically feasible, and to submit the analysis to the state board and the Legislature, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 39601.1 is added to the Health and Safety Code, to read:

39601.1. (a) The state board shall submit any major regulation to the ~~Legislative Analyst's Office~~ *Office of Administrative Law* immediately upon the completion of the state board's ~~final staff report~~ *economic analysis* on the proposal. *The state board shall submit with the regulation all background information used in conducting the economic analysis and the information on Section A of the Economic Impact Statement, Estimate Private Sector Cost Impacts, on standard form 399, as required pursuant to subdivision (e).*

(b) (1) The ~~Legislative Analyst's Office~~ *Office of Administrative Law* shall prepare an analysis of the major regulation proposed by the state board to determine the costs and benefits of the regulation and whether the regulation is technologically feasible. The ~~Legislative Analyst's Office~~ *Office of Administrative Law* may contract with an independent party to prepare the analysis.

(2) The ~~Legislative Analyst's Office~~ *Office of Administrative Law* shall submit the prepared analysis to the state board and the Legislature within 90 days of the date of receipt of the ~~final staff report~~ *regulation* from the state board.

(c) The analysis shall include, but not be limited to, all of the following:

(1) The estimated costs of compliance by the regulated community with the standards in the major regulation.

(2) The estimated impact of the major regulation on state tax revenue.

(3) A determination whether the pollution reduction assumptions are accurate, feasible, and achievable.

(4) The estimated costs of alternative technologies.

(5) The estimated cumulative costs of all regulatory requirements that become effective within the same year on the regulated community.

(6) A determination whether the proposed adoption, amendment, or repeal is technologically feasible.

(7) A determination whether any identified alternative technologies are technologically feasible.

1 (d) The state board shall reimburse the ~~Legislative Analyst's~~  
2 ~~Office~~ *Office of Administrative Law* for the cost to that office of  
3 the analysis. The state board shall include the cost of  
4 reimbursement in the cost of developing the regulation. *The*  
5 *requirement in subdivision (b) does not apply if the Office of*  
6 *Administrative Law has not been provided with the resources*  
7 *needed to complete the analysis required by subdivision (b).*

8 (e) *The state board shall complete Section A of the Economic*  
9 *Impact Statement, Estimate Private Sector Cost Impacts, on*  
10 *standard form 399 for all major regulations, and submit this*  
11 *information, and related background information, with the*  
12 *regulation to the Office of Administrative Law to help the office*  
13 *conduct the analysis required by subdivision (b). If the state board*  
14 *determines that a regulation is not a major regulation, the state*  
15 *board shall complete Section A of the Economic Impact Statement,*  
16 *Estimate Private Sector Cost Impacts, on standard form 399, and*  
17 *submit that information after adoption of the regulation as part*  
18 *of seeking final regulatory approval by the Office of Administrative*  
19 *Law.*

20 (e)

21 (f) As used in this section, “major regulation” means any  
22 proposed adoption, amendment, or repeal of a regulation that will  
23 have a total ~~economic impact~~ *cost* of ten million dollars  
24 (\$10,000,000) or more on state government, business enterprises,  
25 or citizens, as estimated by the state board.